



# TRECAdvisor

Texas Real Estate Commission ★ Volume 14, Number 5 ★ December 2003

## Commissioners Receive Recognition at National Association of Realtors Annual Meeting

Three current members of the Texas Real Estate Commission were recognized for their contributions at the recent annual meeting of the National Association of Realtors held in San Francisco, California on November 7-10, 2003.

Commissioner James N. Austin, Jr., president of The Austin Company commercial real estate brokers in Fort Worth, was one of five recipients of the Good Neighbor Award. Austin was selected from among nearly 300 nominees in recognition of his efforts as founder of the Renaissance Cultural Center and the National Cowboys of Color Museum and Hall of Fame. Austin was nominated by the Greater Fort Worth Association of Realtors. In recognition of their efforts the five Good Neighbor Award winners each received a grant of \$7,500 for their charitable organization and were honored at a ceremony during the NAR annual meeting in San Francisco.



JAMES AUSTIN



MIKE BRODIE

Chairman Mike Brodie of Plano was elected as the new Treasurer of the National Association of Realtors at the annual meeting in San Francisco. Brodie is a broker and owner of the Keller-Williams real estate firm in Plano and is known nationally as a teacher of real estate courses as well as a member of the Texas Real Estate Commission. Brodie was appointed to the Commission in 1997 and named as Chairman by Governor Bush in 2000.

Commissioner Louise Hull of Victoria was elected as Region X Regional Vice President of the National Association of Realtors at the meeting in San Francisco. Hull has served most recently as Secretary of the Commission and as Chair of TREC's Education Task Force which made recommendations for modifications in the current mandatory continuing education program. She is President and owner of Cornerstone Properties in Victoria, Texas.



LOUISE HULL

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**THE MISSION** of the Texas Real Estate Commission is to assist and protect consumers of real estate services, and foster economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers.

## TEXAS REAL ESTATE COMMISSION

# Meeting Highlights



*December 1, 2003*

Official publication of the  
**Texas Real Estate Commission**

Volume 14, Number 5  
December 2003

**Rick Perry**  
Governor

Commission Members:

**C. Michael Brodie**  
Chairman  
PLANO

**James N. Austin, Jr.**  
Vice-Chair  
FORT WORTH

**Louise E. Hull**  
Secretary  
VICTORIA

**Ramon "Mick" Cantu**  
HOUSTON

**Maria Gil**  
SAN ANTONIO

**Lawrence D. Joki**  
BROWNSVILLE

**Paul H. Jordan**  
GEORGETOWN

**Kay Sutton**  
MIDLAND

**John S. Walton**  
LUBBOCK

TREC Administrator  
**Wayne Thorburn**

Desktop Publisher  
**Patricia Holder**

The Texas Real Estate Commission held a regularly-scheduled meeting at the TREC headquarters in Austin on Monday, December 1, 2003.

Chairman Mike Brodie presided. Staff reports were presented concerning the number of current licensees, enforcement complaints and activity on the web site.

There was a discussion of comments regarding proposed amendments to 22 TAC §§537.11, 537.22, 537.43, 537.47, and new §537.49, concerning Professional Agreements and Standard Contract forms. No action was taken on this item.

Commissioner Jordan presented his report on the meeting held November 4, 2003 concerning clarification of a broker's responsibility under 22 TAC §535.2. Mr. Jordan's report is available on the TREC web site at: [\*\*November 4 Meeting Report\*\*](#). Comments were offered by Ron Walker, General Counsel, Texas Association of Realtors, Aaron Farmer, Texas Discount Realty, Bob Hale, CEO, Houston Association of Realtors, Minor Peeples, The Real Estate School-Corpus Christi, Commissioner Louise Hull and Loretta DeHay, TREC General Counsel.

Sabrina Hassumani, Assistant Administrator-TREC, presented a report from the staff concerning implementation of the Education Task Force recommendations. There was discussion concerning the development of the required 3 hour course that would be written by TREC. Given the lead time required to develop this course and the funding issues that are involved, it was determined that the next step of action is to include funding and other requirements in TREC's next Strategic Plan. Strategic planning will begin around March 2004 and will include issues for the 2005 legislative session.

A memorandum of understanding between the Texas Real Estate Commission and the Texas Appraiser Licensing Certification Board appointing the TREC Administrator to serve as Commissioner of TALCB was approved.

The Commission approved redesigning the TREC salesperson and broker licenses. Legislative changes in the 2003 Regular Session removed the requirement that the license be displayed in the broker's office. Staff is looking into developing a license similar in appearance to a voter's registration card.

There was discussion concerning a letter from the Texas Savings and Loan Department regarding the expiration of the term of one of the Commission's appointees to the Mortgage Broker Advisory Committee. Mr. Thorburn suggested that the vacancy be publicized and nominations gathered and presented at the next meeting. The Commission approved this suggestion.

The payment of one recovery fund application was approved in the amount of \$30,000.

A motion to modify a prior order in the matter of Mark Steven Bowles was granted.

A motion for rehearing in the matter of Robert D. Cashmer, Sr. was denied.

Dates were set for the next two meetings of the Commission for February 9, 2004 in Houston and April 19, 2004 in Austin.

## TREC STAFF NAMED TO ARELLO POSITIONS



**Wayne Thorburn**

At the October 25-28, 2003 annual meeting of the Association of Real Estate License Law Officials (ARELLO), TREC **Administrator Wayne Thorburn** was chosen as President-Elect, a position which places him on track to become President of the international real estate organization in 2004. **General Counsel Loretta DeHay** was named as Vice Chair of the organization's Law Committee at the same meeting.



**Loretta DeHay**

The TRECAdvisor (ISSN 1047-4579) is published by the Texas Real Estate Commission (TREC) as an educational service to licensees in the state of Texas. The purpose of the newsletter is to promote a better understanding of the Real Estate License Act and to inform all licensees of changes affecting laws and practices in the real estate industry. The TRECAdvisor is funded through legislative appropriations and subscriptions collected from TREC licensees. The official text of TREC rules is filed with the Office of the Secretary of State, Texas Register. TREC encourages reproduction of this newsletter with the appropriate acknowledgments. Subscriptions are available for \$4.00 for two years. Single issues are \$1.00. To order a subscription or a single issue write to TRECAdvisor, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188. For information regarding TREC, contact:

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# Texas Real Estate Commission Annual Report for Fiscal Year 2003

## *Statutory Changes*

As part of its 78<sup>th</sup> Regular Session in 2003, the Texas Legislature made a number of revisions to the Real Estate License Act (now chapters 1101 and 1102 of the Texas Occupations Code). Perhaps the one change most affecting real estate licensees was the removal of the requirement that licenses must be prominently displayed at the broker's principal place of business unless one is a residential rental locator. Additionally, the Commission was given authority to require that consumer notices regarding complaints be prominently displayed on a licensee's web site. Also, the Information About Brokerage Services must now be disclosed at the "first substantive dialogue" rather than at the first face-to-face meeting.

The Legislature removed the \$20 fee for the initial broker sponsorship of a new salesperson licensee and increased the fee for a license history to \$20. The maximum fee for filing an application as a real estate instructor was set at \$40 for a five-year registration. No other fee changes were undertaken by either the Legislature or the Commission.

Individuals seeking the "fast track" to a professional inspector license can now be required to complete up to an additional 320 classroom hours of specified instruction prior to making application to take the professional inspector examination. Inspector applicants must now also satisfy the Commission as to the applicant's honesty, integrity and trustworthiness. Finally, the Commission was authorized to provide for two year renewals of inspector licenses.

During the last fiscal year a good deal of discussion took place before the Commission on the possibility of adopting a Rule to require certain minimum services by a real estate broker. A rule spelling out three minimal services (presentation of all offers, assistance on developing offers and counter-offers, availability to answer client questions) was first adopted by the Commission, then challenged in District Court, and finally repealed by the Commission. The issue remains alive and alternative attempts to ensure effective client representation continue before the Commission this year.

## *More Licensees*

Fiscal Year 03 closed on August 31, 2003 with a total of 121,662 licensed real estate brokers and salespersons, 2,599 licensed inspectors, and 810 easement or right-of-way registrants. There has been an increase in real estate licensees consistently every month over the past three years. Moreover, there is every indication that the trend will continue into the immediate future as more and more Texans seek to obtain a real estate license and a high percentage of licensees decide to renew.

This continuing influx of licensees can be seen in the following "pipeline" from transcript evaluation (where one finds out how many classes must be completed before filing an application) to original application (where one obtains approval to take a real estate examination) and on to individuals examined (the number who take an examination at a testing center) ending up with new licenses issued. At each of these stages, the increase over the past five years has been substantial, resulting in an overall 18.6% increase in licensed salespersons.

*(Continued on page 4)*

**Growth in Real Estate Licensees over the past five years**

|                               | <b>FY99</b> | <b>FY00</b> | <b>FY01</b> | <b>FY02</b> | <b>FY03</b> | <b>5 Year Change</b> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|----------------------|
| <b>Transcript Evaluations</b> | 12,938      | 14,143      | 16,897      | 20,378      | 22,346      | +72.7%               |
| <b>Original Applications</b>  | 10,183      | 11,149      | 11,941      | 16,668      | 17,298      | +69.9                |
| <b>Individuals Examined</b>   | 10,238      | 11,077      | 11,7684     | 16,534      | 15,482      | +51.2                |
| <b>Licensed Salespersons</b>  | 69,383      | 70,219      | 72,318      | 78,086      | 82,296      | +18.6                |
| <b>Licensed Brokers</b>       | 40,606      | 40,106      | 39,673      | 39,659      | 39,366      | - 3.1                |
| <b>Licensed Inspectors</b>    | 1,698       | 1,944       | 2,196       | 2,399       | 2,599       | +53.1                |

**Fiscal Year 03  
Applicant Examination  
Pass Rate**

|                        |       |
|------------------------|-------|
| Broker                 | 91.4% |
| Salesperson            | 77.6  |
| Real Estate Inspector  | 71.9  |
| Professional Inspector | 45.0  |

As more individuals attempt to obtain real estate licensure, the pass rate on the salesperson examination has declined. Compared to the previous four years, while the broker examination pass rate was higher in FY03, the salesperson pass rate is down. This success rate may be affected not only by the increased number of applicants over the past two years but also by a change in examination service providers which took place at the beginning of FY03. Many applicants in the "pipeline" may have attempted to take the real estate examination under the old provider in FY02 rather than confront a new examination with a new bank of questions in FY03. Faced with a new bank of questions and a new provider, candidates were somewhat less successful in this past year.

License renewal rates remained roughly the same as in previous years with approximately seven of every eight brokers choosing to retain their license. Nearly as high a percentage of experienced salespersons (those with two-year licenses) renewed their licenses in FY03 while more than three-fourths of newer salespersons (those still under Salesperson Annual Education) decided to keep their real estate license. Given the number of possible reasons why an individual might not renew, these percentages are quite high and indicate a desire to retain licensure whether or not one is actively involved in the profession. In fact, approximately 20% of all real estate licenses (26,232) are "inactive," held by those who wish to retain a license for possible future use.

**FY03 License Renewal Rates**

|                                    |       |
|------------------------------------|-------|
| Broker Timely Renewal              | 88.5% |
| Salesperson 2 year License Renewal | 83.5  |
| Salesperson 1 year License Renewal | 76.7  |

**Online Services**

The Texas Real Estate Commission has long been dedicated to providing as many services as possible on the Internet to increase the convenience and ease of use by licensees and the public. The Commission's web site ([www.trec.state.tx.us](http://www.trec.state.tx.us)) has long been recognized as one of the best among real estate licensing entities and among State of Texas agencies. From the wealth of forms and materials available to the "licensee lookup" function which includes all education records, to the online distribution of the TRECAdvisor newsletter, TREC's web page provides a quick and handy reference to all aspects of real estate regulation.

**FY03 TexasOnline Transactions**

|                          |       |
|--------------------------|-------|
| Salesperson Applications | 49.3% |
| Broker License Renewals  | 24.6  |
| Salesperson Renewals     | 26.8  |

Since the year 2000, the Commission has provided a means by which individuals can renew their licenses online. Beginning first with salesperson renewals, this service now extends to virtually all license types. Additionally, salesperson applications can be made over the Internet. In Fiscal Year 2003, nearly twenty thousand transactions were conducted online by individuals seeking to apply or renew a license with the Texas Real Estate Commission. Moreover, literally millions of Commission web pages were viewed by licensees and the public. Nearly sixty thousand email addresses are now maintained on the TREC email notification system. Truly, the Internet has changed the means by which this state agency can communicate with the public - both in providing information and in receiving requests and transactions.

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Currently one in four license renewals are made over the Internet by use of a credit card while nearly fifty percent of all salesperson license applications come via the TexasOnline system. As more transactions become available and more individuals become familiar with the process, we anticipate that these percentages will increase substantially - providing additional convenience to the public while reducing processing time and effort by the Commission staff.

### **Related Programs**

In addition to real estate and inspector licensing and regulation, the Texas Real Estate Commission has responsibility for a number of other programs. Easement or right-of-way agents who are not employed directly by a corporation for whom they provide services must register with TREC and pay an annual license fee. Companies desiring to sell homeowner warranty policies in Texas must be registered with TREC under the provisions of the Residential Service Company Act.

Any developer who wishes to sell timeshare interests in the State of Texas, regardless of the location of the specific timeshare property, must meet stringent registration requirements and be registered with the Commission. These may range from one-week packages at a specific resort to club membership which can be used at any of a number of locations to fractional ownership providing six to ten weeks occupancy in a townhouse or resort. Working with various industry representatives the Texas Real Estate Commission attempted to amend and modify the Texas Timeshare Act. Unfortunately, the bill died on a procedural matter near the end of the 78<sup>th</sup> Regular Session of the Texas Legislature.

Two new members were selected to serve on the Texas Broker-Lawyer Committee: Michael Bray of El Paso and Bob Baker of Plano. The committee continues its process of reviewing and revising promulgated contract forms and addenda, where appropriate.

### **Real Estate Education**

The Texas Real Estate Commission is responsible for oversight of many aspects of real estate education, including the registration of real estate providers, instructors and courses for both pre-licensure and continuing education. While accredited colleges and universities can provide pre-licensure real estate courses without TREC approval, any proprietary school or association wishing to offer pre-licensure courses must make application and obtain approval from the Commission. All continuing education providers, including accredited colleges and universities, must obtain TREC approval as a provider as well as for each continuing education course they wish to offer. At the end of Fiscal Year 03 there were 42 approved providers of pre-licensure education in Texas and 160 approved continuing education providers. Periodically, TREC Investigators conduct onsite audits of these education providers to ensure compliance with provisions of the **Real Estate License Act (Chapter 1101, Texas Occupations Code)**.

During this past year, Chairman Mike Brodie appointed an Education Task Force headed by Commissioner Louise Hull. The Task Force was charged with the responsibility of reviewing the current mandatory continuing education program and making any appropriate recommendations for change. It received input from a number of licensees and education providers and held several meetings before submitting its report to the Commission. In the near future, major changes in the continuing education program may result from the Task Force's recommendations.

### **Consumer Services**

The Enforcement Division opened 3,691 complaint matters in FY03, consisting of both consumer concerns and administrative issues such as bad checks, failure to comply with license requirements, or failure to provide required information. Additionally, the Enforcement Division must undertake an investigation when an application or renewal indicates that a criminal violation may have occurred. Sometimes an applicant will seek advice as to whether he or she is likely to meet the standard of honesty, integrity, and trustworthiness required of a licensee before taking the requisite real estate courses and license examination. In these instances, the Enforcement Division is called upon to render a moral character determination providing advice to a potential applicant as to whether or not it is feasible to pursue a real estate license.

#### **Other Registrants as of August 31, 2003**

|                                   |       |
|-----------------------------------|-------|
| Easement or Right-of-Way Agents   | 810   |
| Real Estate Instructors           | 1,257 |
| Pre-Licensure Proprietary Schools | 42    |
| Continuing Education Providers    | 160   |
| Registered Timeshare Properties   | 236   |
| Residential Service Companies     | 18    |

(Continued on page 6)

**FY03 Complaint Matters**

|                                    | <b>Opened</b> | <b>Closed</b> |
|------------------------------------|---------------|---------------|
| Public Complaints                  | 1,684         | 2,158         |
| Administrative Matters             | 1,419         | 894           |
| License Application Investigations | 348           | 379           |
| Moral Character Determinations     | 240           | 148           |

Among the results from complaint matters taken to completion there were 211 instances of a reprimand or censure, 16 licensees placed on probation, 11 license suspensions, 50 license revocations, and 66 matters resulting in a fine or administrative penalty. While many of these outcomes were the result of a hearing conducted before the agency's Administrative Law Judge, still others were the result of an agreed order between the Enforcement Division and the licensee, similar to a plea bargain in a criminal case.

**Performance Measures**

In the current system of performance based budgeting, all state agencies are required to report on their ability to meet certain performance measures. In FY03, the Commission was able to

once again meet or exceed all key performance measures developed by the Legislative Budget Board in conjunction with the Texas Legislature. The Commission also continued to receive high marks from both its clients (in the Customer Service Survey available to all who interact with TREC) and its staff (in the Survey of Organizational Excellence conducted by the University of Texas). TREC was pleased to receive recognition for the highest percentage employee participation in the State Employee Charitable Campaign for all agencies in its size group.

In the past fiscal year, the Texas Real Estate Commission collected slightly more than sixteen million dollars in fees and other revenue. Of this amount, slightly more than four million dollars was available for expenditures by the Commission. Although the amount of revenue may vary each year due to the number of individuals who renew or obtain a new license, the agency is appropriated a fixed sum of money by the General Appropriations Act and cannot spend beyond that amount.

This past fiscal year was a year of financial difficulty for Texas state government. During FY03, several state agencies, including TREC, were required to make substantial budgetary cuts in their appropriated amount to help close a projected state deficit. This cut totaled slightly more than \$290,000 over the last six months of FY03 and allowed a considerable amount of license and registration fees to be diverted to other needs in state government.

While the agency received over sixteen million dollars in revenue during FY03, nearly 75% of that sum was directed to other agencies or entities of Texas government. The actual appropriated expenditures per licensee, the amount spent directly by TREC, was \$33.48 per licensee or registrant in FY03.

**Texas Real Estate Commission  
Fees & Payments Collected  
Fiscal Year 2003**

|  |             |
|--|-------------|
| License Fees Collected for State General Revenue Account | \$6,891,200 |
| License Fees Collected For Real Estate Center, Texas A&M | 2,317,195   |
| License Fees Collected for TexasOnline Authority         | 188,972     |
| Deposits to Real Estate Recovery Trust Account           | 367,124     |
| Deposits to Real Estate Inspection Recovery Fund         | 54,009      |

**FEES COLLECTED FOR OTHER ENTITIES \$9,818,500**

|   |             |
|---|-------------|
| License Fees Retained by Texas Real Estate Commission | \$6,039,857 |
| Subscription Fees and Other Payments to TREC          | 188,965     |
| Other Revenue   | 70,937      |

**TOTAL REVENUE COLLECTED \$16,118,259****Disposition of Revenue Received Fiscal Year 2003**

|  |                     |
|--|---------------------|
| <b>Total Revenue Collected</b>                       | <b>\$16,118,259</b> |
| -Fees Collected for Other Entities                   | [9,818,500]         |
| -Payments for Services to Other State Agencies       | [1,083,543]         |
| -Reduction in FY03 Appropriation to meet state needs | [290,790]           |
| -Agency Income Returned to State General Revenue     | [707,392]           |
| <b>FUNDS REMAINING FOR TREC EXPENDITURES</b>         | <b>\$4,218,034</b>  |

As part of the decrease in available funds, TREC and the Appraiser Board together experienced a staff reduction from 95 to 83 employees. The cap on staff size and the reduced appropriations apply also in fiscal years 2004 and 2005. Despite these cuts in expenditures and employees, the Texas Real Estate Commission and its staff have continued to provide quality service in a timely and efficient manner for both its licensees and the public. The agency is dedicated to providing this service in the current fiscal year and beyond.

# Disciplinary Actions

## October 2003

### Consumer Complaint

**Hall, Darrell Roy**  
(Madisonville); license# 85940

Reprimand of broker license, entered October 8, 2003; failing to disclose his status as a licensee when selling property of a limited partnership in which he held an ownership interest of more than 10%, in violation of 22 TAC §535.144 of the Rules of the Texas Real Estate Commission

**Kerr, Elaine Kay**  
(Austin); license# 424787

Agreed reprimand of salesperson license, entered October 10, 2003; acting negligently or incompetently by having ownership in, as president of, and conducting her real estate brokerage services through a corporation that was conducting its real estate brokerage services without first holding a real estate broker license, in violation of §15(a)(6)(W) of The Real Estate License Act [§1101.652(b)(1)] of the Texas Occupations Code, effective June 1, 2003; and acting negligently or incompetently by paying a portion of monies held in trust for a party in a real estate transaction to a service vendor without the party's permission, in violation of §15(a)(6)(W) of The Real Estate License Act [§1101.652(b)(1)] of the Texas Occupations Code, effective June 1, 2003

**Carrithers, Charla Diane**  
(Brady); license# 378047

Agreed 90-day suspension of broker license, fully probated for 6 months, effective October 15, 2003; Agreed administrative penalty of \$1000, entered October 15, 2003; offering real property for sale without the knowledge and consent of the owner or his authorized agent and on terms other than those authorized by the owner or his authorized agent, in violation of §15(a)(6)(O) of The Real Estate License Act [§1101.652(b)(20)] of the Texas Occupations Code, effective June 1, 2003; publishing or causing to be published advertisements of the residential listing of another broker which were likely to deceive the public or were misleading or created a misleading impression, in violation of §15(a)(6)(P) of The Real Estate License Act [§1101.652(b)(23)] of the Texas Occupations Code, effective June 1, 2003; unauthorized entry into and allowing unauthorized interior photography of real property belonging to another, in violation of §15(a)(6)(V) of The Real Estate License Act [§1101.652(b)(2)] of the Texas Occupations Code, effective June 1, 2003; acting negligently or incompetently in relation to the residential listing of another broker, in violation of §15(a)(6)(W) of The Real Estate License Act [§1101.652(b)(1)] of the Texas Occupations Code, effective June 1, 2003

**McNiece, John Isaac**  
(Katy); license# 494884

Agreed administrative penalty of \$250, entered October 27, 2003; performing unlicensed real estate brokerage activities, in violation of §1(b) of The Real Estate License Act [§1101.351(a)(1)] of The Texas Occupations Code, effective June 1, 2003

**Bennett, Gerrold Kevin Kasey**  
(Fort Worth); license# 438028

Revocation of salesperson license, effective October 27, 2003; failing or refusing to produce documents, books or records related to a real estate transaction and failing within a reasonable time to produce information related to a complaint to the Commission, in violation of §15(a)(7) and §15(a)(8) of The Real Estate License Act [§1101.652(a)(5) and §1101.652(a)(6)] of the Texas Occupations Code, effective June 1, 2003; when selling a property in his own name, failing to disclose in writing that he held a real estate salesperson license and engaging in misrepresentation or dishonest or fraudulent action by permitting a buyer to lease and take possession of his property prior to closing while representing pending foreclosure would not occur before closing when in fact foreclosure did occur, in violation of 22 TAC §535.144 of the Rules of the Texas Real Estate Commission and §15(a)(3) of The Real Estate License Act [§1101.652(a)(3)] of the Texas Occupations Code, effective June 1, 2003

**Loftin, Helen Marie**  
(Livingston); license# 447600

Agreed 45-day suspension of salesperson license fully probated for 1 year, effective October 21, 2003; Agreed administrative penalty of \$1000, entered October 21, 2003; encouraging a seller to sign an extension of a prior contract in which the closing date had passed even though the seller had already signed a new contract with a different buyer and had signed an exclusive listing agreement with another broker, in violation of §15(a)(6)(N) and §15(a)(6)(W) of the Real Estate License Act [§1101.652(b)(22) and §1101.652(b)(1)] of the Texas Occupations Code, effective June 1, 2003; advising the seller about the legal validity of the prior contract, in violation of §16(a) of The Real Estate License Act [§1101.654(a)(2)] of the Texas Occupations Code, effective June 1, 2003; advertising using an assumed name, of which the Commission had not received written notice from her sponsoring broker and which included her name but did not also include the name or assumed name of her sponsoring broker, in violation of §535.154(c) of the Rules of the Texas Real Estate Commission; identifying herself in advertising as owner/agent of the brokerage business without including in the advertisement the name or assumed name of her sponsoring broker, thereby implying that a salesperson was responsible for the operation of the brokerage business, in violation of §535.154(e) of the Rules of the Texas Real Estate Commission

### Administrative Complaint

**Medinis, Richard Joseph**  
(Dallas); license# 427644

Agreed reprimand of salesperson license, entered October 10, 2003; Agreed administrative penalty of \$250, entered October 10, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Roberts, Masa Scott**  
(Austin); license# 290894

Agreed reprimand of broker license, entered October 13, 2003; Agreed administrative penalty of \$250, entered October 13, 2003; failing to complete mandatory continuing education hours within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Stroud, Jack Leonard**  
(Arlington); license# 176254

Agreed reprimand of broker license, entered October 16, 2003; Agreed administrative penalty of \$250, entered October 16, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Behringer, Robert Michael**  
(Plano); license# 386409

Agreed reprimand of broker license, entered October 23, 2003; Agreed administrative penalty of \$250, entered October 23, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Miers, John Robert**  
(Kerrville); license# 154269

Revocation of broker license, effective October 27, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Denton, William Buck**  
(Cumming, Georgia); license# 190612

Agreed reprimand of broker license, entered October 29, 2003; Agreed administrative penalty of \$250, entered October 29, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

**Inselmann, Michael Henry**  
(Houston); license# 169982

Agreed reprimand of broker license, entered October 29, 2003; Agreed administrative penalty of \$250, entered October 29, 2003; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission



**Enforcement Questions and Answers**  
(these and other questions and answers may be found on TREC's web site at[http://www.trec.state.tx.us/questions/faq-enf\\_recent.asp](http://www.trec.state.tx.us/questions/faq-enf_recent.asp)

- Q.** I currently live in another state. I own a home in Texas, and I want to sell it. I would like for a friend of mine, who is not a licensed real estate agent to show it for me and enter into negotiations on my behalf. My friend will not be receiving any compensation from me. If my friend finds a buyer and negotiates an agreed price, I will then contact a real estate agent to consummate the deal. Is this legal?
- A.** In Texas, real estate licensure is required for a person who engages in real estate brokerage activities for another and for compensation. Assuming your friend will not be compensated in any way from any person, no real estate license would be required for the activities you have described.
- Q.** Do I need a license to buy or sell easements or rights-of-way?
- A.** The Texas Real Estate Commission requires you to be registered with the Commission to sell, buy, lease, or transfer an easement or right-of-way for telecommunications, utilities, railroads, or pipelines, unless you are a licensed real estate salesperson or broker, in which case, you do not need to be registered. A person may not sell, buy, lease or transfer easements or rights-of-way of a type not listed above, unless the person has a real estate salesperson or broker license, or unless the person is exempt from obtaining a license because he is directly employed by the owner of property that the employee leases, sells, buys or transfers for the owner.
- Q.** May a broker have a main office where he and his agents conduct business, and also have a separate office with additional agents under a different DBA where they are listing and selling as well?
- A.** Yes, but here are the rules: 1) all salespersons sponsored by you must be listed under your broker's license with TREC; 2) all business names used by you or salespersons sponsored by you must be filed with TREC; 3) you must have a branch office license for each "place of business" where you or your salespersons sponsored by you meet with clients and customers to transact business.
- Q.** Are apartments and/or apartment management companies regulated by TREC?
- A.** No. The Commission does not have jurisdiction over apartment communities or on-site management companies. Property management companies who provide services including advertising properties for lease, showing property or executing leases would need to use licensed agents or brokers. A property manager may collect rent, conduct maintenance and repairs and handle the financial accounting without a license being required.
- Q.** I am a licensed real estate agent. I recently sold a home for my clients, but the deal has not closed yet. I have decided not to renew my real estate license. The commission money will not be available before my license expires. May I receive a commission on this sale?
- A.** Yes, you may. Active real estate licensure is required to perform real estate brokerage activities, but not to get paid. Assuming your license was active when you wrote the contract and during the time you engaged in real estate brokerage activities, you may be paid and your broker may pay you under this scenario without either of you committing any violations of the Texas Real Estate License Act or Rules.

**Calendar of Events****Commission Meetings:**February 9, 2004  
( Houston )April 19, 2004  
( Austin )**Broker-Lawyer Committee Meetings:**January 8-9, 2004  
( Austin )**Inspector Committee Meetings:**March 5, 2004  
( Austin )**Web site:**<http://www.trec.state.tx.us>**Phone**( 800 ) 250-TREC ( 8732 )  
or  
( 512 ) 459-6544**Seasons Greetings from TREC**